

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

AGENDA September 22, 2015 1:30 pm

1. APPROVAL OF THE AUGUST 25, 2015 COMMISSION MEETING MINUTES

2. RETAIL MATTERS

A. NEW BUSINESS

1. LIQUOR AND WINE DEPOT MEMPHIS, TENNESSEE (SHELBY COUNTY)

Applicant: Cross Brothers, LLC

Member(s): Gregory Cross 50 %
Bradley Cross 50 %

Current: Gregory Cross (Sole Proprietor), d/b/a Liquor and Wine Depot
(License No. 3563)

Proposed: Cross Brothers, LLC, d/b/a Liquor and Wine Depot

Before the Commission is a request for a transfer of ownership in the retail store located at 756 Mt. Moriah Rd., Memphis, Tennessee 38117.¹ Current licensee, Gregory Cross, has formed an LLC and given brother, Bradley Cross, 50% ownership in the LLC. No additional funds are planned to be invested at this time. Pursuant to a commercial lease signed by MMIC, Inc. (agent for landlord, H & H Samuels Properties, LLC), the applicant is leasing the premises for an initial term of ninety-five (95) months at a monthly rental rate of approximately \$4,000. The TABC staff recommends conditional approval of this request, subject to receipt of the following item:

a. License Fee

2. RIVERSIDE LIQUORS SHELBYVILLE, TENNESSEE (BEDFORD COUNTY)

Applicant: Riverside Liquors, LLC

Member(s): Kelly S. Reed 100 %

¹ In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.

Before the Commission is a request for licensing of a new retail business to be located at 314 S. Cannon Blvd., Shelbyville, Tennessee 37160. Ms. Reed is investing approximately \$110k into the business (personal funds and a \$100k line of credit from People's Bank and Trust Co.). The applicant will lease the premises from JDSP, LLC for a term of two years at a monthly rental rate of \$1,000. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. Questionnaire for Jerry Dwayne Sullivan
- b. TABC Agent Financial Report

**3. DUDE'S WINE AND SPIRITS
KINGSTON SPRINGS, TENNESSEE (CHEATHAM COUNTY)**

Applicant: Dude's Wine and Spirits, LLC

Member(s): Mark W. Willoughby 100 %

Current: Jackson Wine and Spirits, LLC², d/b/a Jackson Wine & Spirits (License No. 3737)

Proposed: Dude's Wine and Spirits, LLC, d/b/a Dude's Wine and Spirits

Before the Commission is a request for a transfer of ownership regarding the retail store located at 174 Luyben Hills Rd., Kingston Springs, TN 37082.³ Mr. Willoughby is investing \$200k into the business, and if approved, the applicant will purchase the business from the seller for \$150k (the sale price may be adjusted based on an inventory count).⁴ The LLC will lease the premises from Greer & Petty, a Tennessee General Partnership, for an initial term of five years (with an option to renew) at a monthly rental rate of approximately \$2,000.⁵ The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. Closing statement indicating sale
- b. TABC Agent Financial Report
- c. TABC Inspection
- d. Acknowledgement of TABC Rules & Regulations
- e. License Fee

**4. SHAMROCK SPIRITS (LICENSE NO. 3990)
ERIN, TENNESSEE (HOUSTON COUNTY)**

² Jackson Wine and Spirits, LLC (Debbie Jackson, 50% and Gary Jackson, 50%)

³ In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.

⁴ The purchaser also deposited with the seller \$5k as earnest money.

⁵ Monthly rent will increase to approximately \$2,400 by year five of the lease.

Applicant: Shamrock Spirits, LLC

Member(s): William R. Paxton 100 %

Current: Shamrock Spirits, LLC (William R. Paxton, 50%; Elizabeth Luffman, 25%; Justin D. Luffman, 25%)

Proposed: Shamrock Spirits, LLC (William R. Paxton, 100%)

Before the Commission is a request for a change in members and member interest regarding the ownership of the retail store located at 5927 East Main St., Erin, Tennessee 37061. William Paxton currently holds 50% of the ownership interest in the LLC, and if approved, will acquire the 50% ownership interest currently held by Elizabeth and Justin Luffman. There is no cash consideration for this transfer. All requirements have been provided and the TABC staff recommends approval of this request.

**5. ALL AMERICAN WINE & SPIRIT
LEBANON, TENNESSEE (WILSON COUNTY)**

Applicant: Dharmi-2 Inc.

Shareholder(s): Upendrakumar D. Patel⁶ 100 %

Current: All-American Wine & Spirits, LLC (Edwin James, 50%; Susan James, 50%), d/b/a All-American Wine & Spirits, LLC (License No. 3818)

Proposed: Dharmi-2 Inc., d/b/a All American Wine & Spirits

Before the Commission is a request for a transfer of ownership regarding the retail store located at 703 S. Cumberland, Suite C, Lebanon, Tennessee 37087. Mr. Patel is investing \$45,000 of personal funds into business, and if approved, the applicant will purchase the business from the seller for \$45k (plus inventory – estimated to be worth approximately \$100k).⁷ The applicant will lease the premises from Barry-Bobo Family Investments, LLC for an initial term of three years at a monthly rental rate of \$2,000.⁸ The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. Closing statement confirming sale
- b. TABC Inspection
- c. Acknowledgement of TABC Rules & Regulations

⁶ Upendrakumar Patel is also the sole shareholder in Dharmi, Inc., d/b/a Bordeaux Liquors (License No. 3699) located at 3711 Clarksville Pike, Nashville, TN 37218.

⁷ In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.

⁸ The lease includes an option to renew for (2) additional years. The lease commenced on June 1, 2015.

**6. HAMILTON LIQUOR STORE (LICENSE NO. 2033)
CHATTANOOGA, TENNESSEE (HAMILTON COUNTY)**

Applicant: Om Corporation of TN

Shareholder(s):	Current	%	Proposed	%
	Mukesh Modi	100	Mukesh Modi	96
			Primesh Modi	2
			Divyesh Modi	1
			Chandresh Modi	1

Before the Commission is a request for a change in shareholders and shareholder interest in the licensee located at 2288 Gunbarrel Rd., suite 146, Chattanooga, TN 37421. Mukesh Modi currently holds 100% ownership interest in the corporation but wishes to gift his three sons a combined total of 4% of the corporate shares. The TABC staff recommends approval of this request.

**7. THREE STAR LIQUOR STORE
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Applicant: Three Star Investments, LLC

Member(s): John M. Shikhule⁹ 100%

Current: Francis X. McFadden, Jr., d/b/a Three Star Liquor Store (License No. 0341)

Proposed: Three Star Investments, LLC, d/b/a Three Star Liquor Store

Before the Commission is a request for a transfer of ownership regarding the retail store located at 3305 S. 3rd St., Memphis, Tennessee 38109. As verified by TABC staff, Mr. Shikhule is investing \$152k into the business (\$90k bank loan, loan from 401k and personal funds). If approved, the applicant will purchase the business from the current owner for \$140k (including inventory estimated to be valued at \$40k).¹⁰ The LLC will lease the premises from Doris Ryan for an initial term of five years at a monthly rental rate of \$1,225.¹¹ The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Inspection
- b. Acknowledgement of TABC Rules & Regulations
- c. License Fee

⁹ Mr. Shikhule is the sole member of Tana Investments, LLC, d/b/a Tana Liquors (license no. 3613) located at 798 Poplar in Memphis, TN 38106. Mr. Shikhule has provided a letter stating that he will not own more than 50% of the retail liquor stores within the Memphis municipality.

¹⁰ In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.

¹¹ The lease includes an option to renew for one (1) additional five (5) year period.

**8. DISCOUNT LIQUORS & WINES
COVINGTON, TENNESSEE (TIPTON COUNTY)**

Applicant: Kalol, Inc.

Shareholder(s): Rakesh Patel 50 %
Jitendrakumar Patel 50 %

Current: Patricia Butler, d/b/a Discount Liquor & Wine (license no. 3629)

Proposed: Kalol, Inc., d/b/a Discount Liquors & Wines

Before the Commission is a request for a transfer of ownership regarding the retail store located at 309 Highway 51 N., Covington, Tennessee 38019. The shareholders are investing a combined total of approximately \$700k into the business, as verified by TABC staff.¹² If approved, the applicant will purchase the business from the current owner for \$640k (including inventory).¹³ Landlord, Gloria Johnson, will lease the premises to the applicant for an initial term of 180 months at a monthly rental rate of \$2,700.¹⁴ The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Inspection
- b. License Fee
- c. Acknowledgment of TABC Rules & Regulations

**9. BERRY FARMS WINE & SPIRITS
FRANKLIN, TENNESSEE (WILLIAMSON COUNTY)**

Applicant: Berry Farms Wine and Spirits, Inc.

Shareholder(s): Satish Kumar Patel, President 100 %

Before the Commission is a request for licensing of a new retail store to be located at 4000 Hughes Crossing, Suite 160, Franklin, Tennessee 37064. Mr. Patel plans to invest \$75,000 of personal funds into the business, and will lease the premises from Hughes Crossing Investment I, LLC for an initial term of ten (10) years at a monthly rental rate of approximately \$6,000.¹⁵ The TABC recommends conditional approval of this request, subject to receipt of the following items:

- a. Certificate of Occupancy (after build-out)

¹² Financing is coming from the following: \$300k line of credit from Bank of Bartlett, personal loans totaling \$215k (Jitendrakumar Patel) and Mr. Rakesh Patel has five personal loans from relatives totaling \$200k.

¹³ In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.

¹⁴ Monthly rent will increase to \$3,300 by the 121st month.

¹⁵ The landlord agreed for Satish Patel to assign his lease to the corporation. Monthly rent will increase to approximately \$7,000 by year ten (10) of the lease.

- b. TABC Inspection
- c. Acknowledgement of TABC Rules & Regulations
- d. License Fee

**10. VILLAGE WINE & SPIRITS
MONTEAGLE, TENNESSEE (GRUNDY COUNTY)**

Applicant: ABDJ Inc.

Shareholder(s): Satishkumar Patel 50 %
Sharmishta Patel 50 %

Current: Village Wines and Spirits, Inc. (Michael Gifford, 100%) d/b/a Village Wines and Spirits (License No. 3620)

Proposed: ABDJ, Inc., d/b/a Village Wine & Spirits

Before the Commission is a request for a transfer of ownership regarding the retail store located at 831 West Main St., Monteagle, Tennessee 37356. The applicant is investing approximately \$725k into the business,¹⁶ and if approved, will purchase the business (including inventory) and real property from the current owner for \$727,000 (\$477k for inventory, equipment, fixtures, and goodwill, plus \$250k for the real property).¹⁷ The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. Proof of possession of premises (deed/lease)
- b. TABC Inspection
- c. License Fee

**11. PRIEST POINT WINE & SPIRITS (LICENSE NO. 2006)
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant: Priest Point Wine & Spirits, Inc.

Shareholder(s): Charles McTorry II 50 %
Chase McTorry 50 %

Current: Priest Point Wine & Spirits, Inc. (Charles L.D. McTorry, 100%)

Proposed: Priest Point Wine & Spirits, Inc. (Charles McTorry II, 50%; Chase McTorry, 50%)

Before the Commission is a request for a change in shareholders and shareholder interest regarding the retail licensee located at 3688 Bell Rd., Nashville,

¹⁶ The applicant has secured a \$527k line of credit from Citizen Tri-County Bank, Mr. Satishkumar Patel has a \$150k line of credit from Citizens Tri-County Bank, and the shareholders are investing \$50k of personal funds each.

¹⁷ In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.

Tennessee 37214. Ms. Cleatrice McTorry, conservator to husband, Charles L.D. McTorry, has agreed to sell 100% of the shares currently held by her husband to their sons, Charles and Chase McTorry for \$300,000 (at 7% per annum) via seller financing.¹⁸ The TABC staff recommends approval of this request.

3. WINERY MATTERS - None

4. FARM WINERY MATTERS - None

5. WHOLESALE MATTERS

A. NEW BUSINESS

**1. CARTER DISTRIBUTING CO.
CHATTANOOGA, TENNESSEE (HAMILTON COUNTY)**

Applicant: Carter Distributing Co., Inc.

Shareholder(s): Blair Carter, President 100 %

Before the Commission is a request for licensing of a wholesale business located at 1305 Broad St., Chattanooga, TN 37402. As verified by TABC staff, Mr. Carter is investing \$50k into the business. The applicant is already established as a beer distributor and Mr. Carter is also a shareholder in Premium Brands Inc., d/b/a Premium Brands (permit no. 68).¹⁹ The applicant will lease the premises from Carter Family Partnership, LLC on a month-to-month basis at a monthly rental rate of \$16k. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TTB Permit (indicating the inclusion of spirits)
- b. TABC Inspection
- c. Acknowledgement of TABC Rules & Regulations

**2. HAND FAMILY WINE & SPIRITS
COOKEVILLE, TENNESSEE (PUTNAM COUNTY)**

Applicant: Hand Family Wine & Spirits, LLC

Member(s):	Charles W. Hand, Sr., Chief Manager	50 %
	Charles W. Hand, Jr., President	50 %
	William Moseley, Treasurer & CFO	0 %

Before the Commission is a request for licensing of a wholesale business to be located at 3353 Williams Enterprise Dr., Ste. A., Cookeville, Tennessee 38506. The applicant is currently

¹⁸ The agreement included a \$7,500 down payment. The promissory note in the amount of \$292,500 will be payable over a term of sixty months in equal installments of \$6,000.

¹⁹ Premium Brands is located at 1307 Broad Street, Chattanooga, TN 37402. Mr. Carter holds 51% of the ownership interest in Premium Brands Inc., and has indicated that he will close out license no. 68 in the near future.

licensed by the TABC for two other wholesale locations (license no. 53 in Soddy Daisy, TN and license no. 72 in Clarksville, TN).²⁰ The LLC will lease the premises from landlord, CWHFP, LLC, for a term of 10 (ten) years at a monthly rental rate of \$1,000. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Inspection
- b. Acknowledgement of TABC Rules & Regulations
- c. Certificate of Occupancy
- d. License Fee

6. DISTILLERY/BREWERY

A. NEW BUSINESS

1. TURTLE ANARCHY BREWING COMPANY NASHVILLE, TENNESSEE (DAVIDSON COUNTY)

Applicant: Turtle Anarchy Beverage Company, LLC

Member(s):	Mark S. Kamp, Secretary	100 %
	Mark S. Kamp, Jr., President	0 %

Before the Commission is a request for licensing of a brewery to be located at 5901 California Avenue, Suite 105, Nashville, TN 37209. Mark Kamp is investing approximately one million dollars into the business (\$670k bank loan and personal funds). Landlord, Skylight L.P., a Missouri limited partnership, has consented to the sublease of the premises by Turtle Anarchy Brewing Company, LLC (tenant) to the applicant, Turtle Anarchy Beverage Company, LLC (subtenant), for an initial term of five and a half years at a monthly rental rate of approximately \$8,500.²¹ The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Inspection
- b. Acknowledgement of TABC Rules & Regulations
- c. Certificate of Occupancy (after build-out)
- d. License Fee

2. JAKES CREEK DISTILLERY SEVIERVILLE, TENNESSEE (SEVIER COUNTY)

Applicant: Jakes Creek Distillery, LLC

Member(s):	Charles McGinnis, President	20 %
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²⁰ Hand Family Wine & Spirits, LLC is currently licensed by the TABC for two other wholesale locations: Hand Family Wine & Spirits, LLC (license no. 53) d/b/a Hand Family Wine & Spirits, LLC located at 200 Shearer Street, Soddy Daisy, Tennessee, and Hand Family Wine & Spirits, LLC (license no. 72) located at 2069 Wilma Rudolph Blvd., Clarksville, TN 37040.

²¹ Monthly rent will increase to approximately \$9,500 by 2020. The lease includes one, five year option to renew.

Larry Sorrell, V.P.	20 %
Jake McGinnis, Secretary	20 %
Teddy Jones	20 %
W.C. Mills	20 %

Before the Commission is a request for licensing of a new distillery to be located at 3303 Wears Valley Rd., Sevierville, TN 37862. As verified by TABC staff, the combined total investment is \$300k.²² The applicant will lease the premises from Custom Crafted Properties, Inc., for an initial term of three years at a monthly rental rate of approximately \$2,500.²³ The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. Certificate of Occupancy
- b. License Fee

7. PRIVATE CLUBS - None

8. INITIAL ORDERS TO BE REVIEWED BY THE COMMISSION – None

9. SERVER APPEALS - None

10. MISC –

11. NEXT MEETING – Tuesday, October 20, 2015 at 1:30 p.m.

12. UPCOMING MEETINGS

- Tuesday, October 20, 2015
- November: TBD

13. AUDIT AND BUDGET PRESENTATION

End of Agenda

²² L. Sorrell, T. Jones, and W.C. Mills are each investing \$100k of personal funds into the business.

²³ The lease includes options to renew for up to four (4) consecutive additional three (3) year terms.